

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

ERNEST EUNSUK DOW
3435 Wilshire Blvd, Suite #460
Los Angeles, CA 90010

Certified Public Accountant Certificate No.
CPA 37413

Respondent.

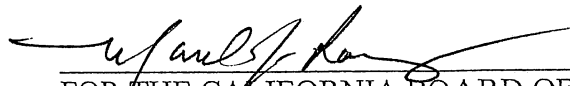
Case No. AC-2009-22

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on June 20, 2010.

It is so ORDERED May 20, 2010.



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 EDMUND G. BROWN JR.
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 NANCY A. KAISER
Deputy Attorney General
4 State Bar No. 192083
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Attorneys for Complainant
7

8
9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA
11

12 In the Matter of the Accusation Against:

Case No. AC-2009-22

13 **ERNEST EUNSUK DOW**
3435 Wilshire Blvd, Suite #460
14 Los Angeles, CA 90010

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

15 **Certified Public Accountant Certificate No.**
CPA 37413

16
17 Respondent.
18

19 In the interest of a prompt and speedy settlement of this matter, consistent with the public
20 interest and the responsibility of the California Board of Accountancy of the Department of

21 Consumer Affairs, the parties hereby agree to the following Stipulated Settlement and
22 Disciplinary Order which will be submitted to the Board for approval and adoption as the final
23 disposition of the Accusation.

24 **PARTIES**

25 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
26 Accountancy. She brought this action solely in her official capacity and is represented in this
27 matter by Edmund G. Brown Jr., Attorney General of the State of California, by Nancy A. Kaiser,
28 Deputy Attorney General.

2. Respondent Ernest Emisuk Dow (Respondent) is represented in this proceeding by attorney Stephanie Perkins, whose address is 7509 Madison Avenue, Suite 112, Citrus Heights, CA 95610.

3. On or about May 7, 1983, the California Board of Accountancy issued Certified Public Accountant Certificate No. CPA 37413 to Ernest Eunsuk Dow (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2009-22 and will expire on June 30, 2011, unless renewed.

JURISDICTION

4. Accusation No. AC-2009-22 was filed before the California Board of Accountancy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on September 28, 2009. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2009-22 is attached as Exhibit A and incorporated herein by reference.

ADVICE AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. AC-2009-22. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel

the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

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7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. AC-2009-22.

9. Respondent agrees that his Certified Public Accountant Certificate is subject to discipline and he agrees to be bound by the California Board of Accountancy (Board)'s imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

10. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

OTHER

11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary

1 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
2 writing executed by an authorized representative of each of the parties.

3 13. In consideration of the foregoing admissions and stipulations, the parties agree that
4 the Board may, without further notice or formal proceeding, issue and enter the following
5 Disciplinary Order:

6 **DISCIPLINARY ORDER**

7 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA 37413
8 issued to Respondent Ernest Eunsuk Dow (Respondent) is revoked. However, the revocation is
9 stayed and Respondent is placed on probation for three (3) years on the following terms and
10 conditions.

11 1. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local
12 laws, including those rules relating to the practice of public accountancy in California.

13 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days of
14 completion of the quarter, written reports to the Board on a form obtained from the Board. The
15 Respondent shall submit, under penalty of perjury, such other written reports, declarations, and
16 verification of actions as are required. These declarations shall contain statements relative to
17 Respondent's compliance with all the terms and conditions of probation. Respondent shall
18 immediately execute all release of information forms as may be required by the Board or its
19 representatives.

20 3. **Personal Appearances.** Respondent shall, during the period of probation, appear in
21 person at interviews/meetings as directed by the Board or its designated representatives, provided
22 such notification is accomplished in a timely manner.

23 4. **Comply With Probation.** Respondent shall fully comply with the terms and
24 conditions of the probation imposed by the Board and shall cooperate fully with representatives
25 of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance
26 with probation terms and conditions.

27 5. **Practice Investigation.** Respondent shall be subject to, and shall permit, practice
28 investigation of the Respondent's professional practice. Such a practice investigation shall be

1 conducted by representatives of the Board, provided notification of such review is accomplished
2 in a timely manner.

3 6. **Comply With Citations.** Respondent shall comply with all final orders resulting
4 from citations issued by the Board of Accountancy.

5 7. **Tolling of Probation for Out-of-State Residence/Practice.** In the event
6 Respondent should leave California to reside or practice outside this state, Respondent must
7 notify the Board in writing of the dates of departure and return. Periods of non-California
8 residency or practice outside the state shall not apply to reduction of the probationary period, or
9 of any suspension. No obligation imposed herein, including requirements to file written reports,
10 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
11 affected by such periods of out-of-state residency or practice except at the written direction of the
12 Board.

13 8. **Violation of Probation.** If Respondent violates probation in any respect, the Board,
14 after giving Respondent notice and an opportunity to be heard, may revoke probation and carry
15 out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is
16 filed against Respondent during probation, the Board shall have continuing jurisdiction until the
17 matter is final, and the period of probation shall be extended until the matter is final.

18 9. **Completion of Probation.** Upon successful completion of probation, Respondent's
19 license will be fully restored.

20 10. **Ethics Course/Examination.** Respondent shall take and pass with a score of 90
21 percent or better a Board approved ethics examination within six (6) months of the date the
22 Board's decision is final. If Respondent fails to pass said examination within the time period
23 provided or within two attempts, Respondent shall so notify the Board and shall cease practice
24 until Respondent takes and successfully passes said exam, has submitted proof of same to the
25 Board, and has been notified by the Board that he may resume practice.

26 11. **Continuing Education Courses.** Respondent shall complete and provide proper
27 documentation of twenty-four (24) hours of professional education courses within the first year of
28 probation. This shall be in addition to continuing education requirements for re-licensing.

13. **Cost Reimbursement.** Respondent shall reimburse the Board \$6,500 for its investigation and prosecution costs. The payment shall be made within six (6) months of the date the Board's decision is final.

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Stephanie Perkins. I understand the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

3/23/10

I have read and fully discussed with Respondent Ernest Eunsuk Dow the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED:

3/25/10

Stephanie Perkins
Attorney for Respondent.

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

Dated: 4/7/2010

Respectfully Submitted,

EDMUND G. BROWN JR.
Attorney General of California
GREGORY J. SALUTE
Supervising Deputy Attorney General



NANCY A. KAISER
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. AC-2009-22.

1 EDMUND G. BROWN JR.
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 NANCY A. KAISER
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11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against

Case No. AC-2009-22

13 **ERNEST EUNSUK DOW**
3435 Wilshire Boulevard, Suite 460
14 Los Angeles, CA 90010
15 Certified Public Accountant Certificate No. CPA 37413

ACCUSATION

16 and

17 **ERNEST E. DOW & CO., AN ACCOUNTANCY**
CORPORATION
3435 Wilshire Boulevard, Suite 460
18 Los Angeles, CA 90010
19 Certified Public Accountancy Corporation Certificate No.
COR 6212

20 Respondents.
21

22 Complainant alleges:

23 **PARTIES**

- 24 1. Patti Bowers (Complainant) brings this Accusation solely in her official capacity as
25 the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.
26 2. On or about May 7, 1983, the California Board of Accountancy (Board) issued
27 Certified Public Accountant Certificate No. CPA 37413 to Ernest Eunsuk Dow (Respondent
28 Dow). The Certified Public Accountant Certificate will expire on June 30, 2011, unless renewed.

1 Respondent Dow's Certificate was in delinquent status and invalid during on or about the
2 following dates:

3 July 1, 1989 – October 3, 1989

4 July 1, 1991 – July 23, 1991

5 July 1, 1993 – July 23, 1993

6 July 1, 1995 – September 10, 1996

7 July 1, 1997 – January 18, 2000

8 July 1, 2001 – March 27, 2003

9 July 1, 2003 – June 19, 2005

10 July 1, 2007 – November 18, 2007

11 3. On or about January 27, 2009, the Board issued Certified Public Accountancy
12 Corporation Certificate No. COR 6212 to Ernest E. Dow & Co., an Accountancy Corporation,
13 with Respondent Dow as the sole shareholder. The Certified Public Accountancy Corporation
14 Certificate will expire on January 31, 2011, unless renewed.

15 JURISDICTION

16 4. This Accusation is brought before the Board, Department of Consumer Affairs, under
17 the authority of the following laws. All section references are to the Business and Professions
18 Code unless otherwise indicated.

19 STATUTORY PROVISIONS

20 5. Section 118, subdivision (b), provides that the suspension, expiration, surrender or
21 cancellation of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary
22 action during the period within which the license may be renewed, restored, reissued or
23 reinstated.

24 6. Section 477, states, in part, that:

25 “(b) ‘License’ includes certificate, registration or other means to engage in a business or
26 profession regulated by this code.”

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1 7. Section 5050, subdivision (a), states:

2 "Except as provided in subdivision (b) and (c) of this section, in subdivision (a) of Section
3 5054, and in Section 5096.12, no person shall engage in the practice of public accountancy in this
4 state unless the person is the holder of a valid permit to practice public accountancy issued by the
5 board or a holder of a practice privilege pursuant to Article 5.1 (commencing with Section
6 5096.)."

7 8. Section 5051 states:

8 "Except as provided in Sections 5052 and 5053, a person shall be deemed to be engaged in
9 the practice of public accountancy within the meaning and intent of this chapter if he or she does
10 any of the following:

11 "(a) Holds himself or herself out to the public in any manner as one skilled in the
12 knowledge, science, and practice of accounting, and as qualified and ready to render professional
13 service therein as a public accountant for compensation.

14 "(b) Maintains an office for the transaction of business as a public accountant.

15 "(c) Offers to prospective clients to perform for compensation, or who does perform on
16 behalf of clients for compensation, professional services that involve or require an audit,
17 examination, verification, investigation, certification, presentation, or review of financial
18 transactions and accounting records.

19 "(d) Prepares or certifies for clients reports on audits or examinations of books or records
20 of account, balance sheets, and other financial, accounting and related schedules, exhibits,
21 statements, or reports that are to be used for publication, for the purpose of obtaining credit, for
22 filing with a court of law or with any governmental agency, or for any other purpose.

23 "(e) In general or as an incident to that work, renders professional services to clients for
24 compensation in any or all matters relating to accounting procedure and to the recording,
25 presentation, or certification of financial information or data.

26 "(f) Keeps books, makes trial balances, or prepares statements, makes audits, or prepares
27 reports, all as a part of bookkeeping operations for clients.

28 "(g) Prepares or signs, as the tax preparer, tax returns for clients.

1 “(h) Prepares personal financial or investment plans or provides to clients products or
2 services of others in implementation of personal financial or investment plans.

3 “(i) Provides management consulting services to clients.

4 “The activities set forth in subdivisions (f) to (i), inclusive, are "public accountancy" only
5 when performed by a certified public accountant or public accountant, as defined in this chapter.

6 “A person is not engaged in the practice of public accountancy if the only services he or she
7 engages in are those defined by subdivisions (f) to (i), inclusive, and he or she does not hold
8 himself or herself out, solicit, or advertise for clients using the certified public accountant or
9 public accountant designation. A person is not holding himself or herself out, soliciting, or
10 advertising for clients within the meaning of this section solely by reason of displaying a CPA or
11 PA certificate in his or her office or identifying himself or herself as a CPA or PA on other than
12 signs, advertisements, letterhead, business cards, publications directed to clients or potential
13 clients, or financial or tax documents of a client.”

14 9. Section 5063, states, in the pertinent part:

15 “(b) A licensee shall report to the board in writing the occurrence of any of the following
16 events occurring on or after January 1, 2003, within 30 days of the date the licensee has
17 knowledge of the events:

18

19 “(3) Any notice of the opening or initiation of a formal investigation of the licensee by the
20 Securities and Exchange Commission or its designee. . . .”

21 10. Section 5060 subdivision (b), states that “[n]o person or firm may practice public
22 accountancy under any name other than the name under which the person or firm holds a valid
23 permit to practice issued by the board.”

24 11. Section 5100 states, in pertinent part:

25 "After notice and hearing the board may revoke, suspend, or refuse to renew any permit or
26 certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing
27 with Section 5080), or may censure the holder of that permit or certificate for unprofessional
28 conduct that includes, but is not limited to, one or any combination of the following causes:

1
2 “(g) Willful violation of this chapter or any rule or regulation promulgated by the board
3 under the authority granted under this chapter.

4
5 “(l) The imposition of any discipline, penalty, or sanction on a registered public accounting
6 firm or any associated person of such firm, or both, or on any other holder of a permit, certificate,
7 license, or other authority to practice in this state, by the Public Company Accounting Oversight
8 Board or the United States Securities and Exchange Commission, or their designees under the
9 Sarbanes-Oxley Act of 2002 or other federal legislation. . . .”

10 12. Sarbanes-Oxley Act of 2002 section 102, subdivision (a), prohibits any person that is
11 not a registered public accounting firm with the Public Company Accounting Oversight Board
12 (PCAOB) from preparing or issuing or participating in the preparation or issuance of any audit
13 report with respect to any public company after October 22, 2003. (Pub.L. No. 107-204 July 30,
14 2002, 116 Stat.745, codified in 15 U.S.C. §§ 7201 et seq.).

15 REGULATORY PROVISIONS

16 13. California Code of Regulations, title 16, section 87, states, in pertinent part:

17 “(a) 80 Hours.

18 “As a condition of active status license renewal, a licensee shall complete at least 80 hours
19 of qualifying continuing education as described in Section 88 in the two-year period immediately
20 preceding license expiration, and meet the reporting requirements specified in subsection (a) of
21 Section 89. A licensee engaged in the practice of public accountancy as defined in Section 5051
22 of the Business and Professions Code is required to hold a license in active status. No carryover
23 of continuing education is permitted from one two-year license renewal period to another.

24

25 “(c) Accounting and Auditing Continuing Education Requirement.

26 “A licensee who engages in planning, directing, performing substantial portions of the
27 work, or reporting on an audit, review, compilation, or attestation service, shall complete 24 hours
28 of the 80 hours of continuing education required pursuant to subsection (a) in the course subject

1 matter specified in this subsection. Course subject matter must pertain to financial statement
2 preparation and/or reporting (whether such statements are prepared on the basis of generally
3 accepted accounting principles or other comprehensive bases of accounting), auditing, reviews,
4 compilations, industry accounting, attestation services, or assurance services. This continuing
5 education shall be completed in the same two-year license renewal period as the report is issued.
6 If no report is issued because the financial statements are not intended for use by third parties, the
7 continuing education shall be completed in the same two-year license renewal period as the
8 financial statements are submitted to the client.

9 “(d) A licensee who must complete continuing education pursuant to subsections (b)
10 and/or (c) of this section shall also complete an additional eight hours of continuing education
11 specifically related to the detection and/or reporting of fraud in financial statements. This
12 continuing education shall be part of the 80 hours of continuing education required by subsection
13 (a), but shall not be part of the continuing education required by subsections (b) or (c). This
14 requirement applies to licensees who renew their license on or after July 1, 2005.

15

16 “(g) Failure to Comply.

17 “A licensee's willful failure to comply with the requirements of this section shall constitute
18 cause for disciplinary action pursuant to Section 5100(g) of the Accountancy Act.”

19 14. California Code of Regulations, title 16, section 94, states:

20 “Failure to comply with these continuing education rules by a licensee engaged in public
21 practice, as defined in Business and Professions Code Section 5051, constitutes cause for
22 disciplinary action under Section 5100.”

23 COST RECOVERY

24 15. Section 5107, subdivision (a), states:

25 "The executive officer of the board may request the administrative law judge, as part of the
26 proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate
27 found to have committed a violation or violations of this chapter to pay to the board all reasonable

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1 costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees.
2 The board shall not recover costs incurred at the administrative hearing."

3 **FIRST CAUSE FOR DISCIPLINE**

4 **(SEC Discipline Imposed Against Licensee)**

5 16. Respondent Dow is subject to disciplinary action under section 5100, subdivision (l),
6 on the grounds of unprofessional conduct, in that on or about July 29, 2008, the United States
7 Securities and Exchange Commission (SEC) imposed discipline, penalty, or sanction on
8 Respondent Dow's practice of accounting for violating the Sarbanes-Oxley Act of 2002 in the
9 proceeding entitled *In the Matter of Choi Dow Ian Hong & Lee Accountancy Corporation, et al*,
10 SEC Accounting and Auditing Enforcement Release No. 2849, Administrative Proceeding File
11 No. 3-12790. The SEC ordered Respondent Dow's practice of accounting before the SEC
12 censured. The circumstances underlying the action are as follows:

13 a. On or about December 2, 2004, Respondent Dow, as engagement partner, prepared
14 and issued an audit report for VALCAPX Acquisition Corporation, a public company, for the
15 fiscal years ended June 30, 2002, 2003, and 2004 (Audit Report). Prior to or during his
16 engagement of services and issuing of the Audit Report for VALCAPX, the firm that Respondent
17 Dow was working for at the time he performed the audit, Choi, Dow, Ian, Hong & Lee, CPA's, a
18 Professional Corporation, Certified Public Accountancy Corporation Certificate No. COR 4132
19 ["the firm"], was not registered with the Public Accounting Oversight Board (PCAOB), a
20 violation of the Sarbanes-Oxley Act of 2002. As a result, the firm and Respondent Dow did not
21 possess the requisite qualifications to represent others.

22 b. On or about December 9, 2004, VALCAPX filed with the United States Securities
23 and Exchange Commission (SEC) its Form 10-KSB, which included the Audit Report prepared
24 by Respondent Dow as engagement partner.

25 c. On or about September 13, 2007, in Administrative Proceeding File No. 3-12790, the
26 SEC issued an Order Instituting Administrative Proceedings Pursuant to Section 4C of the
27 Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, and

28 ///

1 Notice of Hearing against Respondent Dow for issuing the VALCAPX Audit Report without
2 possessing the requisite qualification to represent others.

3 d. On or about July 29, 2008, in SEC Accounting and Auditing Enforcement Release
4 No. 2849, Administrative Proceeding File No. 3-12790, the SEC issued an Order Making
5 Findings and Imposing Remedial Sanctions Pursuant to Section 4C of the Securities Exchange
6 Act of 1934 and Rule 102(e) of the Commission's Rules of Practice which censured Respondent
7 Dow's privilege of appearing or practicing before the SEC as an accountant.

8 **SECOND CAUSE FOR DISCIPLINE**

9 **(Failure to Report SEC Initiating Action)**

10 17. Respondent Dow is subject to disciplinary action under sections 5100, subdivision
11 (g), and 5063, subdivision (b)(3), on the grounds of unprofessional conduct, in that Respondent
12 Dow failed to report to the Board the occurrence of the SEC instituting administrative
13 proceedings against him on or about September 13, 2007, under Administrative Proceeding File
14 No. 3-12790. Complainant refers to and by this reference incorporates the allegations set forth
15 above in paragraph 15, subdivisions (a)-(d), inclusive, as though set forth fully.

16 **THIRD CAUSE FOR DISCIPLINE**

17 **(Issuing an Audit Report Without a Valid Permit)**

18 18. Respondent Dow is subject to disciplinary action under sections 5100, subdivision (g)
19 and 5050, subdivision (a), on the grounds of unprofessional conduct, in that on or about
20 December 2, 2004, VALCAPX's Audit Report issuing date, Respondent Dow's permit to practice
21 as a Certified Public Accountant was in delinquent status. It was in a delinquent status from July
22 1, 2003 to June 19, 2005. Complainant refers to and by this reference incorporates the allegations
23 set forth above in paragraphs 2 and 15, subdivisions (a)-(d), inclusive, as though set forth fully.

24 **FOURTH CAUSE FOR DISCIPLINE**

25 **(Failure to Comply with Continuing Education Requirements)**

26 19. Respondent Dow is subject to disciplinary action under section 5100, subdivision (g),
27 and California Code of Regulations, title 16, sections 87, subdivisions (c) and (d), and 94, in that
28 on or about November 18, 2007, Respondent Dow disclosed on his two (2) year renewal form for

1 the period ended June 30, 2007, his completion of eight (8) hours of Accounting and Auditing
2 continuing education, while twenty-four (24) hours were required, and completion of two (2)
3 hours of Fraud continuing education while eight (8) hours were required. Respondent Dow failed
4 to complete sixteen (16) hours of Accounting and Auditing continuing education, and six (6)
5 hours of Fraud continuing education during his renewal period.

6 **FIFTH CAUSE FOR DISCIPLINE**

7 **(Practice Under Unregistered Firm Name)**

8 20. Respondents are subject to disciplinary action under sections 5100, subdivision (g),
9 and 5060, subdivision (b), in that between on or about January 3, 2008, and December 18, 2008,
10 Respondents practiced public accountancy under the unregistered corporate name of Ernest E.
11 Dow & Co., an Accountancy Corporation. On or about January 3, 2008, Ernest E. Dow & Co.,
12 an Accountancy Corporation, filed Articles of Incorporation with the Secretary of State. On or
13 about December 18, 2008, Respondent Dow informed the Board that under the name Ernest E.
14 Dow & Co., an Accountancy Corporation, he completed approximately: 215 tax returns; ten (10)
15 compilation reports, without notes; and one (1) review report.

16 **PRAYER**

17 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
18 and that following the hearing, the California Board of Accountancy issue a decision:

19 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
20 Accountant No. CPA 37413, issued to Ernest Eunsuk Dow;

21 2. Revoking or suspending or otherwise imposing discipline upon Certified Public
22 Accountancy Corporation Certificate No. COR 6212, issued to Ernest E. Dow & Co., an
23 Accountancy Corporation;

24 3. Ordering Ernest Eunsuk Dow and Ernest E. Dow & Co., an Accountancy Corporation
25 to pay the California Board of Accountancy the reasonable costs of the investigation and
26 enforcement of this case, pursuant to Business and Professions Code section 5107; and,

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4. Taking such other and further action as deemed necessary and proper.

DATED: September 2, 2009 Patti Bowers

PATTI BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

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